

FORTENBERRY & BALLARD, PC
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES

Sabine Parish School Board
Many, Louisiana

We have performed the procedures described in the following paragraph, procedures that were agreed to by you, solely to assist you in adding credibility to the school activity funds for that period ended June 30, 2011. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Sabine Parish School Board. Consequently, we make no representation regarding the sufficiency of the procedures described in the accompanying exhibits either for the purpose for which this report has been prepared or for any other purpose.

Our procedures, performed at each individual school that comprises the School Activity – Agency Fund of the Sabine Parish School Board, are as follows:

1. Obtained current and prior year financial statements and performed the following:
 - a. Inquired as to any significant problems in the preparation process.
 - b. Compared ending cash balance to bank reconciliation tested in procedure 2.
2. Obtained the June 30 reconciled bank statement and performed the following:
 - a. Tested the mathematical accuracy of the reconciliation.
 - b. Traced reconciling items to clearance in subsequent month(s) bank statements.
3. Traced two deposits per month from the monthly bank statements FYE June 30 to the cash receipts journal and vice versa (cash receipts journal to monthly bank statements).
4. Selected, where applicable, five ticket reconciliation forms FYE June 30 for admission and gate receipts and performed the following procedures:
 - a. Reviewed supporting documentation and recalculated the mathematical accuracy of the reconciling forms.
 - b. Traced cash receipts to the cash receipts journal and the general ledger.
 - c. Traced to deposit in the monthly bank statement.
 - d. Determined any cash over/short, a reasonable amount will be allowed.
5. Selected five disbursements per month FYE June 30 and verified that:
 - a. Cancelled checks were properly signed.
 - b. Supporting documentation existed.
 - c. Checks were written for the correct amount.

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 25 2012

- d. Supporting documentation was properly documented as paid to avoid duplicate payments.
- e. Expenditures were formally approved and charged to the correct individual funds.
- 6. Scanned cash disbursements journal for all checks greater than \$7,500 FYE June 30 and determine that proper central office approval was obtained and documented.
- 7. Verified that all bank accounts are interest-bearing accounts.
- 8. Reconciled, where applicable, the petty cash balance as of the date tested.
- 9. Calculated the gross profit percentage on concession sales for the current year and prior year and performed the following:
 - a. Compared current and prior year percentages.
 - b. Inquired, where applicable, as to any significant (greater than 5%) variance.

The results of our procedures disclosed the following instances throughout the audited entity that comprise the School Activity – Agency Fund of the Sabine Parish School Board that we believe should be brought to the attention of management and the school board.

Overall area of concern throughout the various schools

Improvements were noted compared to our prior year observations in nearly all schools examined during the fiscal year in which these agreed-upon procedures were performed. Additionally, the Sabine Parish School Board along with Central Office personnel has enacted and implemented stringent policies and procedures regarding individual school accounting of their respective activity funds. A training session is conducted at the beginning of the school year with the Principals and bookkeepers regarding the implemented policies and procedures. Individual schools and personnel are held accountable with swift, decisive action taken to ensure compliance.

In lieu of naming overall concerns regarding the agreed-upon procedures, individual schools will be noted along with the deviations.

Individual Schools – Areas of Concern

Converse School

1. Regarding disbursements, two separate deviations were noted.
 - a. Two \$300 gift cards were purchased with no support provided.
 - b. Three instances were noted where an individual did not sign for received goods.
2. Regarding depositing/receipting, no supporting documentation regarding concessions inventory listing/fundraisers was attached to receipts.
3. We noted one ticket reconciliation which did not contain cashier signatures.

Ebarb School

Regarding disbursements, the following deficiencies were noted in various instances during the testing procedures:

- a. Itinerary information was not provided on tested items involving out-of-town travel.
- b. Generic account codes are used when specified account codes are available for use by the bookkeeper.
- c. Receiving invoices were noted on only 40% of tested disbursements regarding signature for receipt of goods.
- d. Invoices were not stamped "PAID" in multiple instances. This increases the possibility of duplicate payments being made on individual transactions.
- e. For purchase requisition purposes, the sponsor was not noted on half the disbursements tested. The Principal, with a stamped signature, was the only noted signer.

Florien School

Regarding concession percentage testing, the school combines concessions receipting/disbursements into individual activities such as baseball, cheerleading, band, etc. It cannot be determined what the profitability of concessions activity is with the current bookkeeping.

Many Elementary School

Regarding disbursements, instances were noted where no one signed for goods purchased at the Big Star grocery store. A sponsor's signature or individual initials indicating receipt of goods would be adequate.

Many Junior High School

1. Regarding disbursements, the following deficiencies were noted in various instances during the testing procedures of activity fund disbursements:
 - a. Numerous invoices did not contain sponsor signatures.
 - b. School secretary would sign under received line for nearly every item even though items were not taken into possession by said individual. Also, three receipts did not denote who received goods.
2. Regarding event ticket reconciliations, the following deficiencies were noted in various instances during the testing procedures:
 - a. Ticket reconciliation forms do not show who counted cash and deposited said collections.
 - b. The applicable cash amount of change was inconsistent (needs to be a fixed amount).
 - c. Applicable ticket ranges should be denoted in full. Ticket numbers for the first ticket sold and last ticket sold should be noted on the actual reconciliation form.

Many High School

1. Regarding disbursements, two instances were noted where an individual did not sign for receipt of goods.
2. Regarding depositing/receipting, concessions inventory sheets and/or raffle fundraiser events, results were not attached to receipts.

Negreet School

1. Regarding disbursements, sponsor signatures were not noted on the majority of tested items. Most items had only the signature of the Principal.
2. Regarding depositing/receipting, concessions inventory sheets were not attached to receipts.

Pleasant Hill School

Regarding disbursements, the following deficiencies were noted in various instances during the testing procedures:

- a. In instances where gasoline was purchased, no stated purpose/itemized vehicle fueled was written on the fuel ticket.

- b. In instances where hotel rooms were purchased, no itinerary was provided as to the purpose of the travel.
- c. In two instances, no invoice support was provided.

Zwolle Elementary School

Regarding disbursements, the following deficiencies were noted in various instances during the testing procedures:

- a. A function for requisitioning goods and services appears to be lacking. On most expenditures tested, the only signatures present on supporting documentation were the principal and the bookkeeper. Payments lacking sufficient supporting documentation make it indeterminable as to whether the expenditure(s) is/are being charged to the correct activity fund(s).
- b. In two instances, invoices/receipts provided could not calculate to check total.
- c. In two instances, no invoice support was provided.
- d. Three items requested for testing were not provided.

Zwolle High School

No deviations of the required procedures listed on page 1 were noted during the testwork performed at Zwolle High School.

Sabine Career Academy

Regarding disbursements, almost all goods purchased had no notation on the supporting documentation as to whether the item(s) had been received. The signature stamp provided by the Central Office was not used correctly.

We were not engaged to express an opinion on the specified elements, accounts, or items. Accordingly, we do not express any opinion on the school activity funds. Had additional procedures been performed by us, other matters may have been brought to our attention that would have been reported to you.

This report is intended solely for the use of the Sabine Parish School Board and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

FORTENBERRY & BALLARD, PC

Fortenberry and Ballard, PC
December 23, 2011

Sabine Parish School Board

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January 10, 2012

Louisiana Legislative Auditor
P.O. Box 9347
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RE: Sabine Parish School Board Corrective Action Plan

The Business Office will conduct additional in-services to train the principals and secretaries in the proper procedures for the administration of school activity funds. Additionally, central office staff members will be sent to each school to review their current practices and note any discrepancies that are found. They will also review the procedures with each secretary to correct the discrepancies that are discovered. An additional staff member will be hired in the near future to assist in training and on-site visits to each school.

Sincerely,



Robert T. Lewis
Business Manager
Sabine Parish School Board

Cc: Sara Ebarb, Ed. D, Superintendent

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